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ABSTRACT

Although the government's role as provider of social services and guardian of individual rights has had little effect on the economic position of women and minorities, as an employer it has greatly improved their welfare in terms of job opportunities and earnings. U.S. census data from 1960 to 1980 show that the public sector currently employs one-sixth of the labor force and has generated a quarter of all new jobs in those years. The types and number of jobs government creates have benefited women and minorities by providing relatively more high-level job opportunities than has the private sector. As a consequence, the public sector employs from one-third to two-thirds of minority and female college graduates. While earnings discrimination exists in both the public and private sectors, the earnings gap is generally lower in the public sector, where, during the 1960s and early 1970s, minorities and women earned more than their counterparts in the private sector. This advantage has now largely disappeared because of inflation and the government's huge fiscal deficit. Fiscal problems are causing reductions in the work force and may threaten future employment opportunities for these groups. This may severely hinder their social mobility. Four tables provide data on employment growth, government employees, and earnings. (PB)

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SOCIAL MOBILITY AND PUBLIC SECTOR EMPLOYMENT

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February 1983

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Abstract

This paper analyzes the important role played by the public sector in providing employment opportunities in the labor market. The analyses are based on U.S. Census data from 1960, 1970, and 1980. Overall the government has provided one-quarter of all new jobs and one-third of all high-level, professional jobs in the economy between 1960 and 1980. But, it has played an even more important role in providing job opportunities for women and minorities. And, while earnings discrimination exists in both the public and the private sectors, levels of discrimination are generally lower in the public sector for all groups.

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Social mobility has a strong tradition in the United States. Americans believe that all persons should have the opportunity to improve their social and economic standing. Women and minorities have been particularly vocal on this issue. Historically they have always been disadvantaged in our economy: they hold a disproportionate share of the poor jobs; they earn less than white males, even with they same qualifications; they are less likely to acquire sufficient education and training to allow them to compete effectively in the labor market; and they are discriminated against. Thus they have the most interest in promoting equality of opportunity--the right to compete fairly.

Disadvantaged groups have increasingly turned to the government for help. The government has responded. It has financed a growing number of social welfare programs, beginning with the war on poverty in the 1960s. These programs are targeted to the poor, to the disadvantaged, and, indirectly, to minorities, who are overrepresented in the former two groups. Welfare programs provide direct financial support to individuals and families. Other spending finances education and training programs to help the disadvantaged help themselves out of poverty.

Despite the great infusion of public funds, most accounts suggest that social welfare programs have not improved the lot of the disadvantaged. While poverty rates overall have declined, minority families and families headed by females (both white and minority) were more likely than white families to lie below the poverty line in 1979 than in 1969 (U.S. Bureau of the Census 1982, Table 5). Government education and training programs have also had little impact on improving the economic well-being of minorities and the poor (Levin 1977).

Minorities and women have also sought to improve their economic status in society through legislative reform. The Civil Rights

Movement, largely initiated by blacks, pushed for legal reforms as well as social welfare programs. The single most important legislative reform was the passage of the Civil Rights Act of 1964, which prohibited employers, unions, and employment agencies from discriminating on the basis of race, color, sex, or national origin. The Act was extended to state and local government employment in 1972. Discrimination in hiring, discharge, compensation, training, promotion, and terms and conditions or privileges of employment was prohibited (Wallace 1982, p. 4). Racial discrimination became illegal, although it did not end.

Women also sought an end to legal discrimination. But it came about much more slowly. The Equal Pay Act of 1963 ended separate pay scales for men and women of similar skills working under the same working conditions (Barrett 1979, p. 55). It did not mandate equal employment opportunity, however. The Civil Rights Act did (although the inclusion of sex in the legislation was intended to insure the bill's defeat. See Freeman 1975, pp. 53-54). Yet it has taken a series of amendments, guidelines, and legal challenges to even approach equality of opportunity for women under the law (Wallace 1982).

Legislative reforms not only promoted equality of opportunity, but affirmative action as well. The Equal Employment Opportunity Commission (EEOC) was established to enforce federal antidiscrimination policy. This included monitoring discrimination, issuing guidelines, and even bringing civil action suits against private firms engaged in discriminatory practices (Barrett 1979, p. 56). Court settlements required employers to pay back wages and to undertake major efforts to redress past discriminatory practices. This included hiring, training, and promoting minorities and women. The $33 million dollar settlement to women employees of the American Telephone and Telegraph Company in 1973 was largest and most publicized of these settlements (Wallace 1982). Such actions by government have undoubtedly spurred affirmative action programs among other private employers. In some instances, women and minorities have been actively recruited for jobs in which they are underrepresented.

In the last twenty years legal reforms by the government to promote economic opportunity for all social groups in our society have been revolutionary. In this short time, the law has been changed from one that sanctioned race and sex discrimination to one that mandated equality of opportunity to one that sought the end of discrimination through affirmative action (Barrett 1979). But has equality been achieved? No.

In fact, a variety of indicators show that the average economic position of minorities and women relative to white males has generally not improved over the last two decades. In some instances it has worsened. For example, relative unemployment rates between 1960 and 1976 have increased for nearly all minority and female groups. Relative teenage unemployment rates have increased as well. Black and Hispanic teenagers have unemployment rates that are 4 to 8 times the white teenage unemployment rate (U.S. Commission on Civil Rights 1978, pp. 30, 32).

Earnings remain far from equal. Black males earned 52 percent of what white males earned in 1959. Their relative earnings did increase to 65 percent of white male earnings in 1975. Of course earnings differences not only result from discrimination; they also arise because of differences in education and training, qualities that lead to higher labor market earnings. But even adjusting for those differences, as well as differences in the amount of time worked, black males still received only 85 percent of white male earnings in 1975. This percentage did increase from 71 percent in 1959, so black males have shown some economic improvement. Hispanic males have not. The relative earnings of white and Hispanic women have also not improved in the last two decades. They continue to earn roughly 50 percent of what white males earn with similar education and experience. Black females have made some relative improvement, however (U.S. Commission on Civil Rights 1978, p. 54).

Overall minorities and women have made little relative improvement in their economic position during the last two decades. Black males and females have registered some gains, but they still lag behind white

males. These small improvements have occurred despite the growth in government expenditures targeted to minority and low-income populations as well as the vast legislative reforms that have attempted to end race and sex discrimination.

Government, as a provider of social services and as legal guardian of individual rights, has not greatly improved the economic position of minorities and women. But government, as an employer, has improved the economic welfare of these groups.

The public sector has become an important source of jobs in the U.S. economy. More important, the government has been responsible for a large share of high-level, high-paying jobs in the economy. Since an increasing share of those jobs have gone to minorities and women, the growth in government employment alone has accounted for some if not all of the economic improvement for blacks, and has prevented further economic deterioration of other groups.

The remainder of this paper documents the important role that the public sector has played in providing jobs in our economy. The analysis is based on data from the 1960, 1970, and 1980 U.S. Census. The first section highlights the important role of government employment generally. The next two sections examine the groups that have most benefited from an expanded public sector--women and minorities. Both employment opportunities and earnings discrimination will be considered. Levels of earnings discrimination will be compared within the government and private sectors as well as across these two sectors.

The Growth of Public Sector Employment

The government has played an important role in generating employment opportunities in this country. Between 1960 and 1980 the proportion of jobs in the private sector changed very little (Table 1). During the same time, the proportion of self-employed workers declined from 13 to 9 percent, while the proportion of workers employed in government increased from 12 to 16 percent. More important, government accounted for fully 25 percent of the increase in employment between

1960 and 1980, with most of this increase coming in the decades of the 1960s.

The type of employment generated by government is equally important. In order to better identify differences among jobs, Census occupations were grouped into three types: high-level, middle-level, and low-level.[1] High-level jobs are generally the most desirable. They offer the highest salaries, carry the most decision-making responsibility, and require the most skill. Middle-level jobs constitute the bulk of the jobs in the economy: they offer moderate salaries, require some education and training, and carry little decision-making responsibility. Low-level jobs are the worst jobs: workers in these jobs are paid near or even below the minimum wage, the jobs require little or no skill, and they offer little stability.

Based on this scheme most jobs in the economy fall in the middle level, with correspondingly fewer jobs in the upper and lower ends of the distribution. About half of the jobs in each sector fall in the middle category. The proportion of high-level jobs in the public sector is twice as large as in the private sector, however, while the proportion of low-level jobs is half as large. These differences have remained pretty much unchanged over the last two decades. The proportion of high level jobs in both the government and private sectors increased somewhat over this period, while the proportion of middle-level jobs decreased.

The government sector not only accounted for 16 percent of all employment in 1980, it accounted for 25 percent of all professional (high) level jobs in the economy (Table 1). The public sector generated almost half of all new, high-level jobs during the 1960s. The large increase in the number of teaching positions at the local level was responsible for much of this growth. During the 1970s the growth in government slowed, generating only one-fifth of all new professional jobs. Altogether, in the last 20 years, the public sector generated one-third of all professional jobs in the economy.

The criterion used to divide jobs into the three categories was based on the skill differences among occupations. Jobs in the government and private sectors differ along other dimensions as well. Among older workers, Quinn (1979) found that government employees (at least at the federal and state level) held jobs that had more varied activities, involved less repetitive tasks, were less physically demanding, and had better working conditions compared to the jobs held by workers in the private sector. Of course not all government jobs are more desirable than private sector jobs. A secretary or a janitor working for the government may perform essentially the same duties as a secretary or a janitor working in the private sector. But, on average, government jobs are better than jobs in the private sector.

Not only does the government generate a large proportion of high-level jobs, it also generates employment opportunities for college graduates. About one-third of all college graduates currently work in the government sector (Table 1). This proportion was even greater in 1970 because the government generated half of all the new jobs held by college graduates between 1960 and 1970, many of which were in teaching. During the 1970s, only 25 percent of new jobs for college graduates were created in the public sector. The decade of the 1960s was the golden age of public sector employment.

Another feature of government employment is its security. Census data reveal that over over the last two decades, the unemployment rate among government workers has been just half of that among private sector employees. Long (1982) found that the probability of turnover between 1965 and 1970 was more than 6 percentage points lower for government employees than for private sector employees. Focusing on voluntary turnover, Long found that government workers were less likely to quit their jobs than private sector workers. The differences in quit rates were most pronounced among young, highly-educated workers. In all, empirical evidence shows that government employment is more secure and has remained more secure than private sector employment over the last two decades.

Finally, compensation is generally higher in the public sector than the private sector. Wages and salaries for most jobs in the public sector are supposed to be comparable to similar jobs in the private sector (Smith 1977, Ch. 2). Evidence from the 1960s and early 1970s found they were not, at least for some jobs. Fogel and Lewin (1974) observed that earnings for low-skill and craft jobs were higher in the public sector, while earnings for high-skilled jobs were higher in the private sector. Smith (1977) found that workers with similar education and experience levels were paid more in the government sector. Even studies that control for differences in the education and experience as well as job characteristics find that public sector employees enjoy a pay premium over private sector workers (Quinn 1979). Yet more recent evidence below shows that the premium from public sector employment deteriorated during the 1970s to less than 5 percent. Nonwage compensation remains larger in the public sector, however (Smith 1977).

Sex and Race Differences in Employment Opportunities

The growth of public sector employment has particularly benefited women and minorities, groups who have not been well-served in the private sector. The growth in government social spending--on welfare, on education, on health and housing--has not only served the recipients of those funds, but has required a growing public workforce to administer the programs.

Some critics claim that social programs have polarized minorities and women, benefiting a few while the situation for the majority remains essentially unchanged. Brown and Erie (1981) make this argument for blacks after documenting massive spending on government social programs, particularly by the federal government. These expenditures generated jobs. Spending on Great Society programs alone generated 2 million jobs, equal to one-quarter of the increase in all government employment between 1960 and 1976. A large proportion of these jobs went to blacks. Over 50 percent of the growth in black employment between 1960 and 1976 was in the public sector. The public sector generated more than half of

the professional, administrative, and technical employment for blacks as well (Brown and Erie 1981, pp. 304-305). Much of this was due to social welfare spending. Brown and Erie argue that the Great Society thus fostered "...a form of welfare colonialism where blacks were called upon to administer their own state of dependence" (p. 321, emphasis in the original). Some blacks made significant economic gains, moving to the middle class, while most blacks experienced little economic progress as a result of these programs (Wilson 1981).

Other findings support the claim that blacks have made relative gains in public sector employment. Long (1976) estimated that black males were more likely to be employed in the federal government than white males with similar characteristics. Yet blacks and other minorities are concentrated in low-level government jobs. A recent congressional report showed that 70 percent of all minorities held jobs at or below GS-8 (out of 18 grades). And while minorities represented 21 percent of all workers in those agencies surveyed, they held less than 7 percent of all high level jobs (U.S. House of Representatives, 1980, p. 2).

Women have also made relative gains in public sector employment. But the evidence is less convincing. Long (1976) estimated that women were less likely to be employed in the federal government than males with similar characteristics. But women were also less likely to be employed in the private sector. While sex discrimination exists in both the government and private sectors, discrimination appears greater in the private sector, especially for professional and managerial workers. Yet within the public sector, at least at the local level, there remain widespread differences in labor market experiences of men and women (Richards and Encarnation 1982). At the federal level, women remain concentrated at the lowest occupational levels: they represented 80 percent of all workers employed at or below the GS-4 level in 1979. And while women represent nearly 50 percent of all federal workers, they hold only 6 percent of all jobs at or above the GS-13 level (U.S. House of Representatives 1980, p. 3).

Census data support the conclusions of these other studies. The increase in public sector employment has benefited some groups much more than others (Table 2). Government has provided a larger proportion of the jobs for blacks and white women than for white men, even in 1960. Black men and women in particular have gained from public sector employment, especially during the 1960s. In 1970 almost one-quarter of all black females and nearly one-fifth of all black males and white females worked in the government sector, compared to less than one-seventh of all white males. By 1980 the proportion of black males and white females had dropped slightly, but the proportion of black females approached 30 percent. During the 1970s, Hispanic females also found increasing employment opportunities in the government sector. Hispanic males did not, however.

The types of jobs provided illustrate the importance of government employment even more dramatically. Generally minorities and women are less likely than white males to hold high-level jobs in the economy. The public sector has provided a large portion of those opportunities. Only 11 percent of white males holding high-level jobs in 1960 were employed in the public sector. In contrast, the proportion was 18 percent for black males, 40 percent for white females, 27 percent for Hispanic females, and 58 percent for black females!

During the 1960s the government sector became an even more important source of high-level employment for minorities and women, in part, because of the growth in teaching opportunities. For minority males particularly, the increase was dramatic: the proportion of black males holding high-level occupations in the government sector more than doubled in the ten year period! Hispanic males benefited almost as much. During the 1970s, when government employment remained stable, these proportions changed very little. Only white females were able to find an increasing share of high-level employment opportunities outside of the government sector.

Another way to gauge the importance of public sector employment is to examine employment opportunities it provides college graduates. The

government sector has employed a third of all college graduates throughout the last 20 years. Many are employed in teaching and other professional-level jobs. But government employs a larger proportion of minority and female college graduates than white male college graduates. Even in 1960, over half of all black and white female college graduates were employed in the government sector. These proportions increased during the 1960s, largely because of the growth in teaching opportunities. During the 1970s, however, the growth of the public sector slowed, reducing opportunities for college graduates. Yet the government remains an important source of jobs for college graduates, particularly for minorities and women.

Race and Sex Differences in Earnings

Not only are women and minorities less likely than white males to hold high-level jobs, they also receive lower wages. Even when they hold the same jobs, minorities and women may receive lower wages because they have less education and experience and hence may be less productive. Only when comparisons between groups control for productivity differences as well as differences in the types of jobs, can earnings discrimination be accurately detected.

Previous comparisons reveal that discrimination exists in both the private and government sectors. In fact, earnings differentials between white and black males appear similar in the private and government sectors, although they are larger in private competitive firms (Long 1976; Smith 1977; Daymont 1980). The differentials are less in the public sector than in the private sector among white-collar workers, while the opposite is true among blue-collar workers (Long 1976). Apparently, the federal government has been no more successful at ending racial discrimination, at least for blacks in low-level occupations, than the private sector has. The earnings differentials between white and black males is less in state and local governments than in the private sector. There appear to be no differentials between whites and other, nonblack minorities at any level of government. Among males,

discrimination appears confined to blacks, particularly in the private and federal government sectors. Among females, on the other hand, racial differences in earnings only exist in the private sector, not the public. Even in the private sector, racial differences among females are less than those observed among males.

Sex differences in earnings are generally greater than racial differences (Long 1976; Smith 1977). They are also larger in the private than in the public sector. And again sex differences in earnings are greater in the federal government than in state and local governments.

Despite the existence of discrimination, the government sector remains a more valuable and rewarding place to work for minorities and women. Evidence from the early 1970s shows that they earn more in the government sector than in the private sector, at least at the federal level (Smith 1977, p. 119). Women especially benefit. Minorities and women also do better financially working for state governments than they do in the private sector. White men do not. Employment in local government, at least as far as earnings are concerned, is no different than the private sector.

In order to document more recent and long-term trends, annual earnings were analyzed from 1960, 1970, and 1980 Census data. Earnings were disaggregated by race and sex groups (6 categories), occupation level (3 categories), and sector (2 categories). Two sets of ratios where then computed. The first compared the earnings of minority males and all females to the earnings of white males within the government and the private sectors. These ratios reveal the extent of discrimination in earnings within the two sectors. The second set of ratios contrasted the government sector earnings with earnings in the private sector for each race and sex group. These ratios illustrate relative earnings differences between the two sectors. In both cases, ratios were computed from estimated earnings, adjusted for differences in education, experience, and weeks worked among groups.[2]

The first set of earnings ratios are shown in Table 3. The figures reveal substantial earnings differences among race and sex groups in the labor market, as other studies have shown. For example, black males employed in middle-level jobs within the private sector earned 75 percent as much as white males in 1980. Even with the same levels of education and experience, black males earned only 83 percent as much as white males. Thus, only about one-third of observed difference in the earnings of white and black males can be explained by differences in education, experience, and weeks worked. The remaining two-thirds is due to discrimination and, perhaps, to differences in other characteristics that also affect earnings.[3]

Other groups show similar disadvantages. Hispanic males employed in middle-level jobs within the private sector earned 92 percent as much as white males in 1980, after adjusting for individual differences. Women--white as well as minority--earn about half as much in comparable jobs. Race differences in earnings among men are much greater than race differences among women.

Discrimination exists in the government sector as well as in the private sector. But in general discrimination in the public sector is less severe. Among workers employed in middle-level jobs, for example, the ratio of adjusted earnings in 1980 for black males to white males was 90 percent in the government sector, compared to 83 percent in the private sector. Relative earnings for Hispanic males were slightly lower in the government sector. The relative earnings of all female groups were higher in the government sector, although not greatly so.

Differences in levels of discrimination between the government and private sectors are greatest among high-level jobs and lowest among low-level jobs. Black males employed in high-level jobs within the private sector earned 74 percent as much as white males in 1980 with similar individual characteristics. Yet in the government sector, black males actually earned more (3 percent) than similar white males. The relative earnings of Hispanic males show the same pattern. At least among males, there is little evidence of discrimination within the

highest occupation levels. Discrimination does exist within most lower-level and middle-level jobs, however.

Discrimination among women exists at all occupation levels. Yet discrimination is less severe in the government sector than the private sector.

How have the levels of discrimination changed over time? Among black men discrimination appears less severe now (1980) than 20 years earlier. Relative (adjusted) earnings of black males employed in middle-level jobs improved from 70 percent in 1960 to 83 percent in 1980 within the private sector, and from 82 percent to 90 percent in the government sector. There was also some improvement among black males employed in low-level jobs. But for Hispanic males and all females, levels of discrimination changed very little between 1960 and 1980, at least for those employed in low-level and middle-level jobs.

More substantial improvements occurred among workers employed in high-level, professional and managerial positions. Hispanic males and women registered modest gains, but by 1980 still earned substantially less than white males even with similar characteristics. Black males registered the most impressive gains: their relative earnings increased from 52 percent in 1960 to 74 percent in 1980 within the private sector, and from 78 percent to 103 percent within the government sector.

Several general conclusions can be drawn from these figures. As others have pointed out previously, discrimination exists in both the public and private sectors of the economy. In general, however, discrimination is less severe in the government sector than in the private sector. Discrimination is more severe among white and minority women than among minority men. And although some improvements in reducing the levels of discrimination have taken place over the last 20 years, when a variety of anti-discrimination legislation was enacted and implemented in both the private and government sectors, discrimination is still widespread.

The greatest reductions in discrimination have taken place among minority males employed in high-level positions in the private sector

and especially in the government sector. It appears that the small number of minorities employed in high-level jobs have been the chief beneficiaries of anti-discrimination policies. The argument advanced by several social critics (Wilson 1981; Brown and Erie 1981) that a few middle-class minorities (at least males) have improved their relative economic positions in society, while the majority of minorities have not, appears supported by these figures.

The preceding analysis focused on earnings differences among race and sex groups within the private and public sectors. Earnings also differ between the public and private sectors within race and sex groups. The ratios of public sector (adjusted) earnings to private sector earnings for all race and sex groups by occupation level for the years 1960, 1970, and 1980 appear in Table 4.

Ratios based on unadjusted earnings for 1980 show that most workers receive higher earnings in the government sector than in the private sector. But this apparent advantage is reduced when adjustments are made for differences in personal characteristics between groups and between the public and private sectors. Only black females appear to receive a definite advantage in earnings by working in the government sector. White males employed in high-level jobs, on the other hand, earn only 75 percent as much in the government sector as in the private sector.

Compared with earlier periods, the earnings advantage connected with government sector employment has clearly eroded. In both 1960 and 1970 earnings in the government sector, even controlling for individual differences, were considerably higher. Black and Hispanic females employed in middle-level jobs earned 25 percent more in government sector than in the private sector in 1970. By 1980 this advantage had eroded to 10 percent for black females and zero percent for Hispanic females. Minority males and white females experienced similar yet less dramatic declines.

One possible explanation for this decline may have been the effective implementation of the comparability principle. Wages in the

government sector are supposed to be comparable to wages in the private sector, not larger. Early accounts suggested that the comparability principle was impossible to implement, for both methodological and political reasons (Smith 1977; Quinn 1979). The recent decline in the relative advantage of public sector earnings could be taken as a sign that the comparability principle is now working.

An alternative explanation appears more likely. Government sector employees have seen their relative earnings advantage erode due to inflation. Most government workers do not receive automatic cost-of-living increases. In the case of federal workers (except the postal service and a few other groups), increases are recommended by the President. The economic crisis, particularly growing budget deficits, that have plagued all levels of government, particularly in the last five years, have meant little or no pay increases for many government workers. The weakened position of many public sector employee unions have contributed to this decline. The golden age of government employment--the decade of the 1960s--has finally come to an end.

Summary and Conclusions

This paper has documented the important role that the government sector has played in creating job opportunities in this country over the last 20 years. The public sector currently employs a sixth of the U.S. work force and has generated a quarter of all new jobs in the economy over the last two decades. The type of jobs created by government is as important as the number of jobs created. The proportion of high-level jobs in the public sector is twice as large as in the private sector. One-third of the growth in high-level positions over the last two decades has occurred in the government sector. The government sector also employs one-third of all college graduates. Government has played an even more important part as a provider of good, high-paying jobs.

The growth in public sector employment has benefited women and minorities particularly. The government employs larger proportions of

these groups than white males. More important, the public sector provides relatively more high-level job opportunities for members of these groups than the private sector. And the government employs from one-third to two-thirds of minority and female college graduates.

Women and minorities have also benefited financially from public sector jobs. Although the earnings of women and minorities relative to white males are lower in the public as well as the private sectors, the gap is generally smaller in the public sector. In fact, minority males with similar characteristics actually earn as much as white males in the government sector, at least in high-level occupations. Yet this may simply reflect the lower earnings associated with high-level positions in government compared to the private sector.

Some progress has been made in reducing earnings discrimination since 1960 in the private sector as well as the government sector. But this progress has mostly benefited minority males in high-level occupations. Little progress can be noted in middle-level and low-level occupations, where most workers are concentrated. And the relative economic position of women has changed very little over this period. They continue to earn substantially less than white or minority males, even with the same qualifications.[4]

During the 1960s and early 1970s minorities and women who worked in the public sector received higher earnings than their counterparts working in the private sector. For most groups, however, this advantage had disappeared by 1980. In contrast, white males never received a premium for working in the public sector. In fact, white males in high-level positions earn substantially less than their counterparts in the private sector.

These overall differences in public and private sector earnings should not obscure the differences that exist within the public and private sectors. In the private sector, earnings vary widely among competitive and noncompetitive industries (Daymont 1980; Rumberger and Carnoy 1980). Earnings also vary widely between as well as within the

local, state, and federal levels of government (Smith 1977; Borjas 1980; Richards and Encarnation 1982).

The growth of the public sector slowed considerably during the 1970s. And it is likely to decline in the near future. The federal government is cutting the size of its work force in an effort to reduce its huge fiscal deficit. Many state and local governments are also facing fiscal problems, forcing a reduction in their work forces as well. These actions will reduce or even eliminate future employment opportunities in the public sector (Carnoy, Rumberger and Shearer, forthcoming). They will curtail an important source of jobs for minorities and women especially. And they may severely reduce social mobility for these groups.

Footnotes

[1]Census occupation codes are merely titles and hence unrelated to job content. I grouped occupations by relative skill levels required to perform the job, based on information from the Dictionary of Occupational Titles. The procedure is described in detail elsewhere (Rumberger and Carnoy 1980). Although this classification scheme is not the only one that could be used, the index is highly correlated with other measures of labor market standing, such as earnings and education.

[2]This technique was pioneered by Oaxaca (1973). In this study, earnings were estimated from the model:

$Y = a + b_1E + b_2X + b_3W + b_4M$, where Y is annual earnings, E is years of schooling completed, X is years of experience (Age - E - b), W is annual weeks worked, and M is a dummy variable for marriage (=1 if married). The model was estimated separately for each race and sex group within each sector using standard OLS regression techniques. Adjusted earnings were calculated using mean values for education, experience, and weeks worked for white males employed in the private sector. Actual values were used for marriage in each group estimate.

[3]Some of unexplained residual may actually be due to other personal characteristics that influence earnings not captured in the model (e.g., hours worked per week). Attributing all of the residual to discrimination may, therefore, overstate the case. Other estimates, using similar techniques, attribute between one-half and three-fourths of observed male/female earnings differentials to discrimination (Smith 1977, p. 109). Recent evidence suggests that this technique, while commonly used in research on discrimination, may overstate discrimination due to employers' actions (Butler 1982).

[4]These characteristics of government employment are quite similar across the local, state, and federal levels of government. State and local governments provide somewhat more high-level job opportunities than the federal government, whereas federal workers receive higher salaries. The federal government has provided relatively more

employment opportunities for black men and women than for other groups. Women have found a large number of jobs at the local government level, partly because of teaching opportunities. For a detailed analysis of differences in teaching opportunities at the local level, see Richards and Encarnation (1982).

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TABLE 1

Employment and Employment Growth by Sector and Type of Job: 1960, 1970, 1980

	Employment (thousands)			Employment Change (percentage distribution)		
	1960	1970	1980	1960-70	1970-80	1960-80
All jobs:						
Private	47,942	56,495	71,596	70.2	76.2	73.9
Government	7,860	12,462	15,925	37.8	17.5	25.2
Self-Employed	7,953	6,981	8,240	-8.0	6.3	0.9
Total:	63,755	75,938	95,761	100.0	100.0	100.0
High-level jobs:						
Private	6,817	9,575	16,156	79.6	76.8	77.6
Government	2,887	5,092	6,721	63.6	19.0	31.8
Self-Employed	5,581	4,083	4,446	-43.2	4.2	-9.4
Total:	15,285	18,750	27,323	100.0	100.0	100.0
as % of all:	24.0	24.7	28.5	28.4	43.2	37.6
Jobs for college graduates:						
Private	3,190	4,930	10,633	46.5	66.9	60.7
Government	2,027	3,876	5,974	49.5	24.7	32.2
Self-Employed	911	1,062	1,780	4.0	8.4	7.1
Total:	6,128	9,868	18,387	100.0	100.0	100.0
as % of all:	9.6	13.0	19.2	30.7	43.0	38.3

Note: Includes all employed workers, 16 years old and over, except those working without pay.

Sources: Calculated from 1960 and 1970 Public Use Samples and March 1980 Current Population Survey, U.S. Bureau of the Census.

TABLE 2

Proportion of Workers Employed in the Government Sector by Race, Sex, Occupational Level, and College Graduation: 1960, 1970, 1980

	Males			Females			All
	White	Black	Hispanic[a]	White	Black	Hispanic[a]	Workers
1960							
All jobs:	10.5	12.9	8.3	16.0	13.5	8.0	12.3
Occupational level:							
High	11.5	18.2	12.5	39.9	57.9	27.3	18.9
Middle	10.1	13.5	9.6	11.7	16.2	7.4	11.0
Low	10.4	10.9	4.9	3.3	3.1	3.8	7.5
College graduates:	21.5	50.8	b	57.7	74.8	b	33.1
1970							
All jobs:	13.7	19.4	11.0	19.8	24.6	12.9	16.4
Occupational level:							
High	18..	37.1	21.0	44.4	63.3	39.5	27.2
Middle	11.5	17.8	9.5	15.5	27.3	12.0	13.8
Low	11.1	17.2	9.1	6.7	8.5	6.6	10.0
College graduates:	27.5	57.1	30.2	61.7	79.3	34.0	39.3
1980							
All jobs:	13.9	17.9	10.8	19.0	29.4	17.7	16.6
Occupational level:							
High	17.7	29.3	21.6	34.5	56.7	37.3	24.6
Middle	11.9	15.3	9.5	16.1	29.9	18.4	14.6
Low	11.5	17.7	8.0	6.1	11.7	5.1	9.8
College graduates:	24.8	38.8	31.3	43.7	64.4	41.5	32.5

[a]The number of Hispanics was undercounted in the 1960 decennial census because they were only identified in 5 Southwestern states.

[b] Insufficient number or cases to provide reliable estimates.

Sources: Calculated from the 1960 and 1970 Public Use Samples and the March 1980 Current Population Survey.

TABLE 3

Ratio (x100) of Adjusted Annual Earnings for Women and Minority Males to Earnings of White Males by Occupational Level and Sector: 1959, 1969, 1979

		Low-level jobs		Middle-level jobs		High-level jobs	
		Private	Government	Private	Government	Private	Government
1959							
Males	White	100	100	100	100	100	100
	Black	79	92	70	82	52	78
	Hispanic[a]	99	b	90	92	85	b
Females	White	63	50	55	64	43	71
	Black	35	56	43	59	32	63
	Hispanic[a]	42	b	48	b	b	b
1969							
Males	White	100	100	100	100	100	100
	Black	83	93	76	88	67	88
	Hispanic[a]	98	106	88	103	85	95
Females	White	59	58	53	62	50	69
	Black	48	59	47	65	42	68
	Hispanic[a]	58	90	51	70	43	69
1979							
Males	White	100	100	100	100	100	100
	Black	91	94	83	90	74	103
	Hispanic[a]	103	105	92	90	87	101
Females	White	57	55	52	57	51	68
	Black	62	71	55	65	53	75
	Hispanic[a]	67	49	53	56	50	69

[a]The number of Hispanics was undercounted in the 1960 decennial census because they were identified in only 5 Southwestern states.

[b] Insufficient number of cases to provide reliable estimates.

Note: Adjusted earnings calculated from estimated earnings coefficients (education, experience, and annual hours worked) for each group in each category and mean values of independent variables for white males employed in the private sector.

Sources: Calculated from the 1960 and 1980 Public Use Samples and the March 1980 Current Population Survey.

TABLE 4
Ratio (x100) of Public to Private Adjusted Earnings, by Race and Sex Group, Occupational Level: 1959, 1969, 1979

	Males			Females		
	White	Black	Hispanic[a]	White	Black	Hispanic[a]
1959						
High-level	77	115	b	127	153	b
Middle-level	93	109	94	108	125	b
Low-level	101	118	b	80	163	b
1969						
High-level	81	107	91	113	133	131
Middle-level	91	105	107	106	125	125
Low-level	98	110	106	97	122	152
1979						
High-level	75	104	88	99	107	103
Middle-level	93	101	91	103	110	100
Low-level	96	98	96	92	109	70

[a]The number of Hispanics was undercounted in the 1960 decennial census because they were identified in only 5 Southwestern states.

[b] Insufficient number of cases to provide reliable estimates.

Note: Adjusted earnings calculated from estimated earnings coefficients (education, experience, annual hours worked) for each group in each category and mean values of independent variables for white males employed in the private sector.

Sources: Calculated from the 1960 and 1970 Public Use Samples and the March 1980 Current Population Surveys.